

Message Text

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ACTION EB-07

INFO OCT-01 AF-08 ARA-10 EUR-12 ISO-00 SP-02 USIA-15
AID-05 NSC-05 CIEP-02 TRSE-00 SS-15 STR-04 OMB-01
CEA-01 L-03 H-02 PA-02 PRS-01 CIAE-00 COME-00 FRB-01
INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 AGRE-00
/119 W

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P R 171538Z DEC 76
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 8883
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
AMEMBASSY BOGOTA
AMEMBASSY ABIDJAN

UNCLAS LONDON 20409

E.O. 11652: N/A
TAGS: EPAP, ETRD, ICO
SUBJECT: COFFEE: UK TO INVESTIGATE COFFEE PRICES

1. ACCORDING TO THE FINANCIAL TIMES OF DECEMBER 17 ROY HATTERSLEY, PRICES SECRETARY, ANNOUNCED DECEMBER 16 THAT THE COFFEE MARKET WOULD BE SUBJECT OF AN INVESTIGATION BY THE UK PRICE COMMISSION. HATTERSLEY NOTED HE HAD RECEIVED LETTERS CONCERNING COFFEE PRICES, PARTICULARLY IN RELATION TO THE WIDE VARIATION IN RETAIL PRICES. THE COMMISSION WILL "LOOK AT PRICES, COSTS AND MARGINS IN IMPORTATION, PROCESSING AND DISTRIBUTION". THE FT REPORTED THAT HATTERSLEY MADE IT CLEAR THAT THE INVESTIGATION DID NOT IMPLY THAT PRICES WERE UNJUSTIFIED OR THAT THERE WAS EVIDENCE OF PROFITEERING.

2. ITEM REPORTS THAT RETAIL PRICES HAVE GONE UP BY MORE THAN 50 PER CENT SINCE THE BEGINNING OF THE YEAR, WHEN
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A 4 OUNCE JAR OF NESCAFE COST 40 PENCE. TODAY THE FT REPORTS THE SAME JAR COSTS CLOSER TO 72 PENCE WITH FURTHER INCREASES ANTICIPATED. THE ITEM THEN MENTIONS THE BRAZILIAN FROST AND OTHER FACTORS AFFECTING SUPPLY AND THE FACT THAT THE LONDON PRICE (PRESUMABLY SOFT COMMODITY MARKET) HAS QUADRUPLED IN THE LAST 18 MONTHS.

THE ARTICLE CONCLUDES BY POINTING OUT THAT THE BRITISH MARKET IS DOMINATED BY GENERAL FOODS AND NESTLES AND THAT COFFEE DURING THE 1950'S WAS ONE OF THE FASTEST GROWTH ITEMS IN GROCERY STORES BUT THAT DEMAND MORE RECENTLY HAS TENDED TO FALL OFF BECAUSE OF HIGH PRICES.

SPIERS

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Message Attributes

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Draft Date: 17 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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TAGS: EPAP, ETRD, EAGR, UK, (HATTERSLEY, ROY)
To: STATE
Type: TE
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